

Problems of East German Regime

For I.C.D.

Intellectuals want :-

- (a) Abolition work norm.
- (b) Abolition work premium system.
- (c) Distribution profit sharing system
- (d) Institution of factory management by worker representatives.

Ulbricht says :-

- (a) Intellectuals have no idea of economic situation and are unrealistic.
- (b) East German economic situation difficult.

(c) Labor productivity must be raised.

(d) No idea how E. Germany is to fulfil export and import plans.

(e) Cannot increase norms if we are not to get into discussions with the workers again.

→ (f) Not receiving Polish hard coal. ^{better market elsewhere}

→ (g) Hungary cannot at present fulfil obligations to E. Germany.

In May, arrived in East Germany
CEMAA president
Conditions make it impossible
to get into discussions with the workers again.

Disaffection of workers to Regime.

E/g. in same position as Hungarians & Poles

Gent is opposed.

Ulbricht in difficulty with workers & opposed to Tito's offer.